



**U.S. Department of Justice**

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**FOR IMMEDIATE RELEASE:**

**FORMER MUNCIE EXECUTIVE CHARGED WITH  
\$1.2 MILLION BANK FRAUD**

**PRESS RELEASE**

Susan W. Brooks, United States Attorney for the Southern District of Indiana, announced that MICHAEL T. MCDONALD, 41, Muncie, Indiana, was charged late yesterday with bank fraud, following an investigation by the Federal Bureau of Investigation.

The information alleges that McDonald was the Vice President of Finance with Knapp Supply Company, a prominent Muncie business that specializes in the wholesale distribution of plumbing supplies commercially and for residential customers. McDonald's main duties included managing the Knapp checking account, paying invoices and collecting receivables. McDonald was familiar with the database that held Knapp's vendor accounts, and McDonald

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knew how to set up new accounts. Between March 1998 and November 26, 2003, McDonald did a variety of things to steal money from the Knapp checking account which included creating a vendor account with his own name and address and writing checks to himself, writing checks to pay off his personal credit card accounts, giving himself an unauthorized pay increase from \$45,000 to \$85,000, and ordering computer equipment that he directed to be sent to his own residence. An audit revealed that McDonald obtained approximately \$1,200,000 without permission.

According to Assistant United States Attorney Gayle L. Helart, who is prosecuting the case for the government, MCDONALD faces a maximum possible prison sentence of 30 years and a maximum possible fine of \$1,000,000. An initial hearing will be scheduled before a U.S. Magistrate Judge in Indianapolis.

**The information is an allegation only, and the defendant is presumed innocent unless and until proven guilty at trial or by guilty plea.**

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